GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:48
ANSWERED ON:18.11.2002
GRANT OF ZERO SALES TAX STATUS TO FPI
ADHIR RANJAN CHOWDHURY;DALPAT SINGH PARASTE

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the Government are seeking to rationalise taxes affecting Food Processing Industries;

(b) if so, whether the Union Government have also urged the State Governments to consider granting Zero Sales Tax status to such Food Processing Industries (FPI) which are producing perishable products;

(c) if so, the reaction of the State Governments in this regard;

(d) whether a Group of Ministers (GoMs) had been constituted on integration of food laws in Food Processing Industries; and

(e) if so, the details thereof and the steps taken by the Union Government to promote Food Processing Industries during the Tenth Plan period?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI N.T. SHANMUGAM)

(a & b): Yes, Sir.

(c): Empowered Committee of State Finance Ministers has given its recommendations regarding floor rate of taxes in the country.

(d & e): Yes, Sir.

A Group of Ministers (GOM) has been constituted to recommend a Modern Integrated Food Law and amendments to related laws like Prevention of Food Adulteration Act and Orders under the Essential Commodities Act.

In order to promote food processing industries during the Tenth Five Year Plan, the Government have enhanced the allocation to Rs. 650 crores for the Tenth Plan as against Rs. 235 crores during the Ninth Plan. A number of plan schemes have been formulated with a sharper focus in favour of technology upgradation, infrastructure development, quality assurance, etc. for the promotion of food processing industries.